



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Order 96-1-20

SERVED JAN 26, 1996

Issued by the Department of Transportation  
on the 19th day of January, 1996

Essential Air Service at

**ELY, NEVADA**

under 49 U.S.C. 41731, *et seq.*

**Docket OST 95-361**

**ORDER EXTENDING SERVICE OBLIGATION**

**Summary**

By this order we are extending the service obligation of SkyWest Airlines, Inc., at Ely, Nevada, for an additional 30-day period, through February 28, 1996.

**Background**

On August 1, 1995, SkyWest filed a 90-day notice of its intent to suspend its subsidized essential air service at Ely, Nevada. Since SkyWest was the only carrier providing air service at the point, and since its proposed termination of service would have resulted in the elimination of all scheduled service at Ely, the Department, by Order 95-8-16, August 10, 1995, solicited proposals for replacement service and prohibited SkyWest from suspending its service through November 28, 1995. The carrier has been held in at Ely for additional 30-day periods, the latest through January 29, 1996, by Order 95-12-42.

Two carriers filed competing proposals in response to our order--Alpine Air of Provo, Utah, and El Aero Services, Inc., of Elko, Nevada. However, El Aero subsequently decided not to pursue its proposal leaving Alpine as the only applicant. By Order 95-12-28, December 19, 1995, the Department selected Alpine to provide essential air service at Ely for a two-year period and set an annual rate of \$508,759.<sup>1</sup> Alpine has advised the Department that it will be able to commence service at the point under its new rate on or about February 1, 1996.

In view of the fact that this case will not be completed before the end of the current hold-in period, January 29, 1996, in accordance with 49 U.S.C. 41734(c), we will

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<sup>1</sup> Earlier, by Order 95-10-28, October 19, 1995, the Department had selected Alpine to replace SkyWest at Ely for a two-year period at an annual subsidy of \$713,666. However, the carrier never commenced service under that rate and, because of the recent cuts in program funding mandated by the Congress, renegotiated a new proposal.

extend SkyWest's service obligation at Ely for an additional 30-day period, through February 28, 1996, or until Alpine Aviation commences service at Ely in accordance with Order 95-12-28, whichever comes first.<sup>2</sup>

This order is issued under authority delegated in 14 CFR Part 385.

**ACCORDINGLY,**

1. The Department requires SkyWest Airlines, Inc., to maintain essential air service at Ely, Nevada, as set forth in Order 95-8-16, and as modified by Order 95-11-28, for an additional 30-day period, through February 28, 1996, or until Alpine Aviation, Inc., begins service at the point, whichever occurs first;

2. The Department directs SkyWest Airlines, Inc., to retain all books, records, and other source and summary documentation to support subsidy claims for payment and to preserve and maintain such documentation in a manner that readily permits the audit and examination thereof by representatives of the Department. Such documentation shall be retained until the Department indicates that the records may be destroyed or an audit has been completed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order; and

3. The Department will serve copies of this order on the Mayor and airport manager of Ely, Nevada, the County Commissioner of White Pine County, Alpine Aviation, Inc., and SkyWest Airlines.

Persons entitled to petition the Department of Transportation for review of this order under the Department's Aviation Regulations, 14 CFR 385.5, must file their petitions within ten days after the service date of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude such effectiveness.

By:

**JOHN V. COLEMAN**  
**Director**  
**Office of Aviation Analysis**

(Seal)

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<sup>2</sup> As we previously noted, we expect Alpine's service to begin on or about February 1.